Pacific RISE supports the development of a new impact investment market in the Pacific, connecting investment funds and managers to investible businesses that have a measurable social impact. An Australian Government-funded initiative, Pacific RISE applies a gender lens across all activities to ensure that finance and the understanding of how people interact – gender and social analysis – are brought together to improve our investment decisions.

**Our six future trends**

- **Resilience in the face of climate change**
- **Geographic position mitigating political risk**
- **Value chains producing unique quality**
- **Strength in domestic labour and purchasing power**
- **Capturing expanding value in the informal sector**
- **Connected efficiently through tech and transport**

*Photo: Guadalcanal weaver. REAL Impact.*

Pacific RISE is managed by Coffey, a Tetra Tech company, on behalf of the Australian Government.
OUR GENDER LENS ON THE INVESTMENT THESIS

Gender analysis has informed each of these pictures of the future. We drew on knowledge of gender patterns in the Pacific context and culture more clearly to see opportunities and to understand how changing gender patterns would shape our understanding of the future.

- **How will women’s traditional knowledge of climate change and their role in disaster response spark innovation in adaptation and recovery?**
- **Women are hidden influencers in most value chains. Understanding and investing in women’s role in the value chains improves productivity and reliability.**
- **The informal sector is gendered female and therefore often undervalued. How can we analyse the gender patterns to see opportunities for investment?**
- **How can a projected balance in leadership and decision-making influence governance, stability and therefore an improved investment climate overall?**
- **Women are consumers and drivers in the domestic market. How will gender patterns inform diversification and scale?**
- **How can we analyse the gender patterns to see opportunities for investment?**
- **How can access to technology and connectivity unleash women’s untapped economic power?**

**Photo:** International Women’s Day 2011 Honiara. Credit: DFAT

**Video:** How gender is being adopted into our investment thesis
WHY AN INVESTMENT THESIS FOR PACIFIC RISE?

Pacific RISE is using an investment thesis to engage with investors and broaden the sense of possibilities about what types of opportunities exist in the Pacific.

The focus is not to conduct an in-depth analysis of the future of the Pacific. We are focusing on particular trends and ideas for the future which will entice investors into thinking differently about the Pacific.

Each future has been informed with a gender lens, drawing on knowledge of gender patterns in the Pacific context and culture.

Find out more email info@pacificrise.org

Video: Why an investment thesis?
Pacific RISE Investment Thesis

Reinforcing the desired future with a compelling, hopeful vision of the future and the Pacific.

Investment opportunities that would capture value in that future...

Then they look back to the present to find...

Then the investor continues to invest alongside an ecosystem of partners who share after the desired future.
Climate change is seen as a threat for the future of the Pacific. And, it is. But resilience also is an asset, now and in the future. Resilience can be found in industries such as agriculture and fisheries; manufacturing; transportation and supply chain logistics; tourism and financial inclusion. Companies demonstrating proactive resilience are not only more able to mitigate to the risks of climate change, but it is important for their potential to slow or adapt to its impact.

Our Gender Lens: How will women’s traditional knowledge of climate change and their role in disaster response spark innovation in adaptation and recovery?

### Investment Opportunity

Pacific Islands Coffee Institute (“Bula Coffee”) is a bean-to-cup coffee social enterprise pioneering production and promotion of the Fijian coffee industry. Bula Coffee is the only harvester and processor of wild Fijian coffee. They work directly with villagers, particularly women with limited access to employment. Bula Coffee supports its staff through assisting them to obtain organic certification, training them in harvesting processes and increasing their resilience to climate-linked disasters.

Bula Coffee employs 1,200 coffee pickers (about 80% are women) with plans to grow to 2,000, providing them an additional income of US$1,000 per year.

Bula Coffee’s products are sold throughout Fiji, and they are exporting specialty coffee to New Zealand with plans to establish an international brand.

Bula Coffee is looking to raise up to US$600,000 to expand its processing facility, expand their program to source coffee from across Fiji to increase resilience and develop a coffee plant nursery to increase production.

### Capital Flow

Regional players are investing in resilience. The Asian Development Bank climate change operational framework for 2017–2030 is investing US$6 billion in renewable energy, energy efficiency, and sustainable transport and in building resilience both in the agriculture and the urban sectors.
The Pacific Islands are home to some of the most unique ecologies and highly valued products in the world. This results in specialised, low-scale, unique products and are of greater economic value than high-scale, low-end manufacturing from other countries in the region. Future economic value is in high quality products (cocoa, coffee, seafood, timber and coconut oils) with companies increasing value-added processing in-country. In addition, the unique quality of tourism and eco-tourism are driving an increased appetite for regional tourism from Asia.

Our Gender Lens: Women are hidden influencers in most value chains. Understanding and investing in women’s role in the value chains improves productivity and reliability.

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<th>Investment Opportunity</th>
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<td>Whilst there is a worldwide unfulfilled demand for coca products only 10% of Pacific Island cocoa is sold to premium markets. With cocoa the 3rd most important export earner for Solomon Islands there is a lot of unrealised market potential. 50% of producers are women and returns from cocoa can be higher than copra, coffee or other cash crops.</td>
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<td>Tupagholua Cocoa Products creates employment opportunities for women living in remote areas. Sourcing from their own farms, as well as other local farmers, the women work to harvest the beans, dry them and then sell to local and export markets. Tupagholua Cocoa Products supports 164 cocoa farmers to produce high quality cocoa through training and provision of seeds from their nursery.</td>
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<td>Tupagholua Cocoa Products now plans to build a cocoa powder mill to produce cocoa powder and its valuable cocoa butter by-product. Expected output is 156 tons per year, generating an annual income of SBD$4,680,000.</td>
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<td>According to the World Bank, in 2040, transformational tourism opportunities could bring an additional US$1.7 billion in revenue and 116,000 jobs to Pacific Island Countries.</td>
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The informal sector provides critical economic opportunities for communities and is a hidden growth engine. Globally, impact investors are finding value in the informal sector. What would a bet on profitability and sustainability through the informal sector mean? While the future of the Pacific will bring increased formal economic activity, significant value and reduced risk can be found in the informal sector. The informal sector produces locally-sourced agricultural goods, sophisticated textiles, creative arts and other tailored products for a growing domestic market. It scales, through sophisticated and durable systems that can link together the livelihoods of hundreds, or thousands, of the families and communities.

**Our Gender Lens: The informal sector is gendered female and therefore often undervalued. How can we analyse the gender patterns to see opportunities for investment?**

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**Investment Opportunity**

The creative arts sector in the Pacific Islands accesses traditional skills and cultural knowledge, an asset often undervalued for its contribution to economic development. Creative artisans are primarily women and dominate the informal economy of which 90 per cent of the Pacific population contributes.

REAL Impact, a ‘profit-for-purpose’ enterprise is establishing a B2B market in the Pacific. It creates products by combining the existing skill sets of high-quality artisan producers in the informal economy, with design advice to transform products from “handicrafts” to designer objects and – through small batch production – provide this to global fashion and interior design markets.

To provide the artisans capital to stabilise production and build viable businesses, REAL is partnering with Kiva – a crowd-funding platform – on a revolving fund providing working capital loans of up to US$50,000. These creative enterprises provide a lens into the value of the informal sector.

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**Capital Flow**

UN Women and the Australian Government are investing more than US$11 million in the Markets for Change (M4C) project to ensure that marketplaces in Fiji, Solomon Islands and Vanuatu are safe, inclusive and non-discriminatory, supporting the creation and strengthening of representative marketplace groups, boosting financial literacy amongst vendors and market vendor associations, and provides greater access to financial services and improved agricultural skills.
GEOGRAPHIC POSITION MITIGATING POLITICAL RISK

The Pacific is in a unique global position despite the risk in isolation of multiple island nations. Pacific regional collaboration economies reliant on export and tourism reinforce the need for stability. Regardless of national political changes, daily life and island economies continue to be influenced by traditional structures of governance (kastom) that sustain rule of law in local economies, binding communities together creating cohesion. Globally there is considerable investment in the Pacific by larger neighbouring economies. Australia and New Zealand commit to increase stability in the region addressing infrastructure, trade, and combating illegal fishing, transnational crime, human security, cyber-crime and disaster response.

Our Gender Lens: How can a projected balance in leadership and decision-making influence governance, stability and therefore an improved investment climate overall?

Investment Opportunity

“Vinaka” means “thank you” in Fijian language, and so it is the name chosen by the social enterprise which has been established in the warm, polite culture of Fiji. The Vinaka Group is a partnership between two organisations to address the significant challenges faced by Fijians in accessing safe water, sanitation, hygiene (WASH) and energy.

The Vinaka Group is made up of two entities. The first, Vinaka Laundry Services provides high-quality commercial scale, barrier laundry services to hospitals, hotels, universities, industry and government departments in Fiji. The second is Utility 360 which will manage two brands - Vinaka Water and Vinaka Energy that will provide sanitation and energy outcomes through the use of state-of-the art minutaure water purification unit and biodigesters, which convert human and other waste into biogas for cooking.

The Vinaka Group is seeking start-up capital of A$3.5-4 million and the enterprises are being supported by the Fijian and Australian Governments.

Capital Flow

Progressive Trans-Pacific Partnership — the CPTPP — a free trade agreement representing over US$10 trillion.
STRENGTH IN DOMESTIC LABOUR AND PURCHASING POWER

While exports remain critical, the future will bring significant growth in the domestic market. Increases in the population of the Pacific along with growing opportunities for youth in higher education to study and work overseas, create a stable labour base. The opportunity to seek profits in a global market is balanced with value in local communities. Reliance on global capital is balanced with growing investments from local capital.

Our Gender Lens: Women are consumers and drivers in the domestic market. How will gender patterns inform diversification and scale?

Investment Opportunity

ALFA Fishing is a family-run business in Vanuatu. ALFA teaches young ni-Vanuatu how to make canoes and reels and how to fish sustainably and maintain quality. The company provides ice and bait and buys 100 per cent of the catch from fishermen at above-market prices providing a consistent source of income. Two major species of fish (60 per cent of the catch) are sold to the large international hotel chains in Port Vila and the remainder is sold to female micro-entreprenuers who add value to the fish through cooking and then onsell to local bars or roadside stores. The company has analysed future sales and have indicated the sales to local women in the markets, of which there are thousands, is the highest growth area for their future.

Capital Flow

Commencing on 1 July 2018, the Pacific Labour Facility will support 2,000 workers from Nauru, Kiribati and Tuvalu to take up work opportunities in Australia with a new focus on sectors employing more women such as health, aged-care and tourism. The scheme will complement the Seasonal Workers program which has had 25,000 placements since it began. Workers will remit tens of thousands of Australian dollars per year back to their communities in the Pacific.
The next decade will transform connectivity in the region. Innovations in transport will reduce the isolation and facilitate regional trade and collaboration. Investment in undersea cables supporting broadband access to the region is rolling out over the coming decade, allowing the Pacific to participate in the global outsourcing services market, in areas such as accounting, content development, programming, data processing and 24/7 call centres.

**Our Gender Lens: How can access to technology and connectivity unleash women’s untapped economic power?**

**Investment Opportunity**

Kahuto Investments specialises in providing surveying, GIS mapping and aerial survey services. Kahuto is also training the region’s first commercial female drone pilot. Based in Suva, Fiji and Honiara, Solomon Islands Kahuto’s mission is to become the leading company in the Pacific specializing in the collection and transforming of geographical data. Kahuto take advantage of the increasingly accessible internet connectivity in Fiji to find innovative solutions in this growth area.

Kahuto was one of three winners of a Pacific accelerator program funded by Pacific RISE.

**Capital Flow**

In May 2018, Australia announced it would spend $137 million to lay an undersea internet cable between Papua New Guinea, Solomon Islands and Australia providing high speed internet access to the region.

The Pacific Regional Infrastructure Facility (PRIF) is a US$1.7 billion multi-donor coordination mechanism aimed at delivering improvements to the economic infrastructure in the Pacific – this includes utilities and services, energy, transportation (road, aviation, maritime), telecommunications, water, sanitation and waste.